

## Message Text

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ACTION AID-59

INFO OCT-01 EA-07 ISO-00 EB-07 IGA-01 OMB-01 TRSE-00

CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 USIA-06 AGR-05 /127 W

----- 041582

R 170851Z NOV 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 3922

C O N F I D E N T I A L SEOUL 8866

PASS AID/W

E.O. 11652: GDS

TAGS: EAID EAGR KS

SUBJECT: PL 480 TITLE I

REF: STATE 261730

1. WE HAVE NOT, OF COURSE, BEGUN DISCUSSION WITH ROKG ON REFTTEL, PENDING COMPLETION OF THIRD COUNTRY CONSULTATIONS. HOWEVER, WE HAVE BEEN APPROACHED BY BOTH EPB ASST MIN S.K. LEE AND DPM NAM ON ROK'S GREAT NEED THIS YEAR FOR BALANCE OF PAYMENTS SUPPORT.

2. WE TOOK THE OPPORTUNITY TO ASK NAM ABOUT CURRENT ESTIMATES OF THE RICE CROP. HE STATED THE MINISTER OF AG HAD LOWERED THE ESTIMATE, TOO FAR, NAM THOUGHT, BECAUSE THE AGMIN WAS TRYING TO AVOID ANY FURTHER CRITICISM SUCH AS HAD OCCURRED WHEN HE WAS PREDICTING A RECORD CROP JUST AT THE TIME THE LEAF HOPPER INFESTATION WAS REPORTED. NAM NOTED THAT EVEN THE AGMIN'S NEW LOWER ESTIMATE (32.424 MILLION SOK OF 4.669 MILLION TONS, DOWN FROM 4.752 MILLION TONS) WAS PERFECTLY ADEQUATE AND THAT THE COUNTRY REALLY DIDN'T HAVE TO IMPORT ANY MORE THIS YEAR. HOWEVER, HE WAS WILLING TO TAKE 50,000 TONS AS HE UNDERSTOOD THE U.S. PROBLEM AND PROBABLY COULD USE THE RICE NEXT YEAR AS YIELDS MIGHT NOT MATCH THIS YEAR'S AND KOREA WOULD

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THEN HAVE TO IMPORT.

3. KOREA'S BALANCE OF PAYMENTS PROBLEM IS INDEED DIFFICULT AND LIKELY TO REMAIN SO FAR AT LEAST SEVERAL YEARS. SO LONG AS THE U.S. HAS AN OVER-RIDING INTEREST IN KOREA'S SECURITY, IT HAS A DERIVED AND EQUALLY HIGH INTEREST IN ITS ECONOMIC SUCCESS AND THUS IN HELPING TO SUPPORT ITS BALANCE OF PAYMENTS. THE ROKG RECOGNIZES THAT PL 480 IS ONE OF THE FEW MEANS WE HAVE OF DOING THAT AND IS VERY CONCERNED THAT THE MAXIMUM SUPPORT BE DERIVED FROM WHATEVER LEVEL OF PL 480 IS PROVIDED. OBVIOUSLY THE USE OF LIMITED PL 480 FUNDS TO IMPORT RICE, WHICH IS OF NO HELP TO THE BALANCE OF PAYMENTS WOULD NOT HELP ACHIEVE THE OVER-RIDING U.S. OBJECTIVE IN KOREA.

4. WE OBVIOUSLY CANNOT BE CERTAIN OF HOW THE ROKG WILL REACT WHEN WE TABLE THE REFTEL NEGOTIATING INSTRUCTIONS. HOWEVER, WE KNOW IT IS TAKING 50,000 TONS OF RICE ONLY RELUCTANTLY AND HAS THOUGHT OF IT AS PART OF A MUCH LARGER PACKAGE WHICH WILL INCLUDE WHEAT AND POSSIBLY COTTON AND CORN, ALL OF WHICH WILL HELP THE BALANCE OF PAYMENTS. WE THINK THE 58,000 TON RICE PROPOSAL WILL BE GREETED WITH CONSTERNATION, PARTICULARLY WHEN WE SUGGEST THEY WILL HAVE TO TAKE MORE AND WHEN WE TELL THE KOREANS THAT WE HAVE NOTHING ELSE TO OFFER NOW AND NO HARD ASSURANCE THAT ANYTHING ELSE WILL BE OFFERED IN THE ABSENCE OF FINAL WASHINGTON DECISIONS. WE DO NOT ANTICIPATE RAPID CONCLUSION OF AN AGREEMENT.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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